

ASSEMBLY BILL

No. 2434

Introduced by Assembly Member Block

February 24, 2012

An act to amend Section 17463.7 of the Education Code, relating to school districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 2434, as introduced, Block. School districts: surplus school property.

Existing law, until January 1, 2014, authorizes a school district that meets prescribed requirements to deposit the proceeds from the sale of surplus school property, together with any personal property located on that property, purchased entirely with local funds, into the general fund of the school district and to use those proceeds for any one-time general fund purpose.

This bill would extend the operation of this provision to January 1, 2019.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17463.7 of the Education Code is
- 2 amended to read:
- 3 17463.7. (a) Notwithstanding any other law, a school district
- 4 may deposit the proceeds from the sale of surplus real property,
- 5 together with any personal property located on the property,
- 6 purchased entirely with local funds, into the general fund of the

1 school district, and may use the proceeds for any one-time general
2 fund purpose. If the purchase of the property was made using the
3 proceeds of a local general obligation bond or revenue derived
4 from developer fees, the amount of the proceeds of the transaction
5 that may be deposited into the general fund of the school district
6 may not exceed the percentage computed by the difference between
7 the purchase price of the property and the proceeds from the
8 transaction, divided by the amount of the proceeds of the
9 transaction. For the purposes of this section, proceeds of the
10 transaction means either of the following, as appropriate:

11 (1) The amount realized from the sale of property after
12 reasonable expenses related to the sale.

13 (2) For a transaction that does not result in a lump-sum payment
14 of the proceeds of the transaction, the proceeds of the transaction
15 shall be calculated as the net present value of the future cashflow
16 generated by the transaction.

17 (b) The State Allocation Board shall reduce an apportionment
18 of hardship assistance awarded to the particular school district
19 pursuant to Article 8 (commencing with Section 17075.10) by an
20 amount equal to the amount of the sale of surplus real property
21 used for a one-time expenditure of the school district pursuant to
22 this section.

23 (c) If the school district exercises the authority granted pursuant
24 to this section, the *school* district is ineligible for hardship funding
25 from the State School Deferred Maintenance Fund under Section
26 17587 for five years after the date proceeds are deposited into the
27 general fund pursuant to this section.

28 (d) Before a school district exercises the authority granted
29 pursuant to this section, the governing board of the school district
30 shall first submit to the State Allocation Board documents
31 certifying the following:

32 (1) The school district has no major deferred maintenance
33 requirements not covered by existing capital outlay resources.

34 (2) The sale of real property pursuant to this section does not
35 violate the provisions of a local bond act.

36 (3) The real property is not suitable to meet projected school
37 construction needs for the next 10 years.

38 (e) Before the school district exercises the authority granted
39 pursuant to this section, the governing board of the school district,
40 at a regularly scheduled meeting, shall present a plan for expending

1 one-time resources pursuant to this section. The plan shall identify
2 the source and use of the funds and describe the reasons why the
3 expenditure will not result in ongoing fiscal obligations for the
4 school district.

5 (f) The Office of Public School Construction shall submit an
6 interim and a final report to the State Allocation Board and the
7 budget, education policy, and fiscal committees of the Legislature
8 that identifies the school districts that have exercised the authority
9 granted by this section, the amount of proceeds involved, and the
10 purpose for which those proceeds were used. The interim report
11 shall be submitted by January 1, 2011, and the final report by
12 January 1, ~~2014~~ 2019.

13 (g) This section shall remain in effect only until January 1, ~~2014~~
14 2019, and as of that date is repealed, unless a later enacted statute,
15 that is enacted before January 1, ~~2014~~ 2019, deletes or extends
16 that date.